

Does value creation matter in municipal coastal zone planning in Norway?

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Today's text

- Research questions
 - What makes this interesting?
- Background/Setting
 - The Norwegian coastal zone and coastal zone planning
 - Industries, areas (aquaculture and Alta)
- Is value creation emphasised in municipal coastal zone planning?
 - Feasible? Possibilities and obstacles? Data?
- Some empirical examples



Why interesting?

Aquaculture:

- Municipal planning important for value creation
- Spatial distribution of benefits is skewed – and increasingly so
 - Where are the benefits from aquaculture plants?
 - If benefits are not realised locally, why prioritise aquaculture?
- Local reluctance to prioritise aquaculture in municipal planning can limit the development of this industry, and the national value creation



Questions

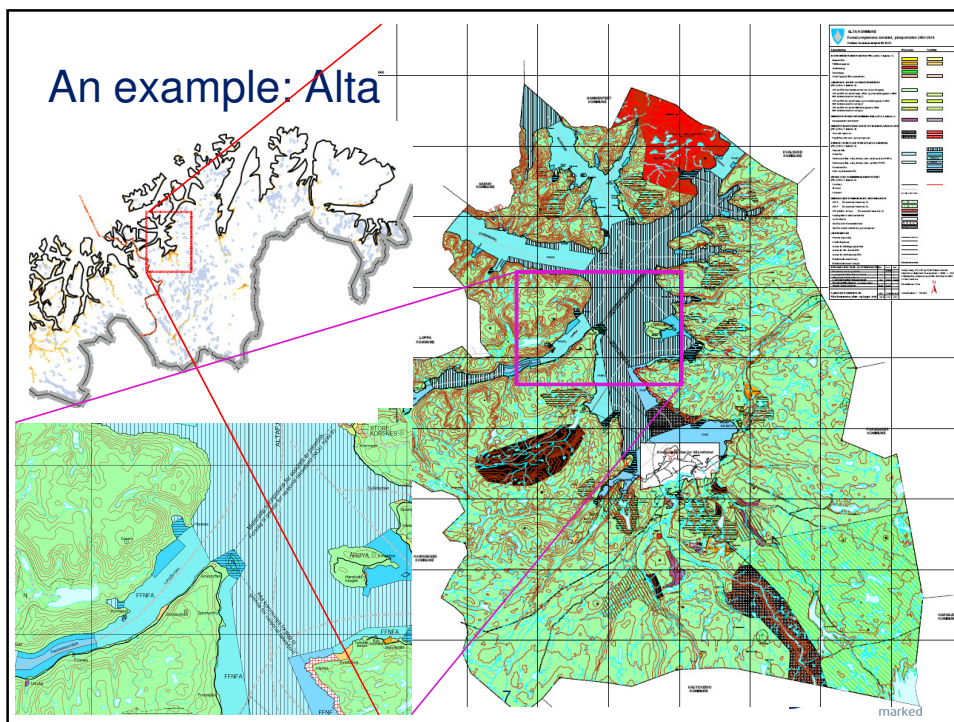
- How is the will of municipalities to emphasise value creation in planning?
 - Local or national value creation?
- How is the ability to emphasise value creation?
 - Do the municipalities have the necessary tools?

Norwegian coastal zone

- Large area and many inhabitants
- Many users and interest groups
 - Limited conflict level hitherto but assumed to increase
- Legislation and authorities
 - Planning and Building Act, and many sector Laws
 - Sector versus area planning
- Use or conservation
 - National and international conservation objectives

Coastal Zone Planning in Norway

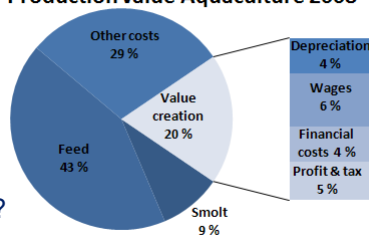
- Planning hierarchy (national, sectoral, regional and local)
 - Responsibility for tasks at lowest effective level
 - Many laws and statutes, with considerable sectoral power
- A right, not a duty, for municipalities
- All levels emphasise value-creation in policy documents
- Potential goal conflict between national and local objectives
 - National environmental goals versus local pro-activity involvement (for instance building in the 100-meter zone)
 - Regional differences



Economic benefits of aquaculture

- Value creation as objective?
- Direct and indirect activities
- Allocation of values created
 - Workers, capital owners, public?
 - Local, regional, national? Abroad?
- Dynamic of value allocation
 - Ownership structure and concentration
 - Organisation of production processes

Production value Aquaculture 2008

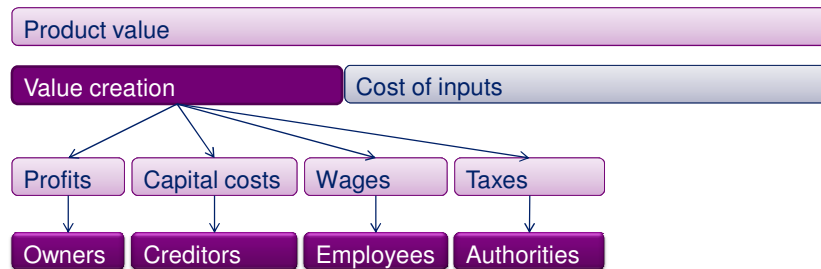


Value chain, value creation (or value added)

- The aquaculture value chain – *from primary input to consumer*
 - One stage's output is the next's input



- Value creation (=gross product) = value of output – cost of inputs



Will to prioritise value creation?

- A conflict of interest between local and national level?
- When are the municipalities unwilling to make choices that increase national value creation?
 - Local benefits are those that accrue to the inhabitants of the municipality
 - Municipality decision makers are elected
 - If politicians want to be re-elected their choices must benefit their electorate
- If national benefits are large, but local benefits (relatively) small, the municipality may go against a nationally beneficial project
- National sector authorities can object to municipal decisions. After arbitration the Ministry of Fisheries and Coastal affairs, or the Ministry of Environment, decides the outcome
 - Over time, sector authorities teach municipalities what policies are acceptable and which are not

Possibilities for prioritising value-creation

- Do municipalities have the needed manoeuvrability or autonomy, or even influence, to prioritise value creation?
 - Hierarchy of objectives governed by authorities at different levels
 - Aquaculture licenses awarded by Directorate of Fisheries. Municipalities have little or no influence.
 - Aquaculture localities also awarded by Directorate of Fisheries. Limited by municipal area plans (and health and environment authorities)
 - Alta: Nature conservation and indigenous rights also limit the municipality's manoeuvrability
- If they had the manoeuvrability, does the right tools exist?
 - Available data, and their usefulness?

Data challenges for prioritising between uses and users?

- Data challenges
 - Availability of data on the right level?
 - Historical data – what do they say about future?
 - Uncertainty of data – what do the applicants reveal?
 - How have the applicants supported claims of their activity creating values for society
 - Hard data on economic performance and importance
 - Anecdotes, fairy tales and scenarios?

Examples of importance local vs national value creation

- Example – Troms municipality
 - Municipality went against a locality for aquaculture, because they wanted to prioritise a company with local “attachment”
 - » Anne Birte Tennøy
- Example – Troms municipality
 - After the company moved the slaughtery out of the municipality, it met a “hostile” municipality administration, which opposed them when applying for additional localities in an aquaculture-zone.
 - » Otto Andreassen
- Example – Alta
 - *“We will prioritise aquaculture, independent of local benefits, since we have an obligation to contribute to attain national goals”*
 - » Municipal head of planning

Municipalities’ incentives to support national value creation?

- How can the municipalities be given an incentive to prepare for activities in the coastal zone that provide large national benefits, but not necessary local benefits?
- Direct compensation from the state level is one possibility that has been discussed in Norway
- An area-tax, or other kind of tax, proportional to the level of activity, values created or amount of coastal areas and resources being occupied by this activity

